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City of Detroit

CITY COUNCIL

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TO: The Honorable City Council

FROM: David Whitaker, Director
Legislative Policy Division Staff

DATE: March 25, 2014

RE: **REVIEW OF CONTRACTS AND PURCHASING FILES**

Attached is the list of contracts and purchase orders recommended by the Finance Department, Purchasing Division, and submitted to the City Council for referral to the Committees on March 25, 2014.

The comments and review of the Legislative Policy Division staff are printed in bold following the contracts.

Attachments

| | | |
|-----|-----------------|-----------------------------|
| cc: | Janice Winfrey | City Clerk |
| | Mark Lockridge | Auditor General |
| | Palencia Mobley | Mayor's Liaison |
| | Boysie Jackson | Purchasing Division |
| | Irvin Corley | Legislative Policy Division |
| | Marcell Todd | Legislative Policy Division |

Statistics compiled for the list of Contracts and Purchases submitted for referral on March 25, 2014.

| Department | No. of Contracts or Purchase Orders | Detroit-Based Business Bids | Change, Extension Increases, Renewals | Located in Detroit |
|--|--|--|--|-------------------------------|
| Budget | 1 | 0 | 1 Renewal | 0 |
| City-Wide 1 Emergency Procurement, administered through ITS | 1 | 0 | 0 | 0 |
| Finance | 1 | 0 | 1 Change | 1 |
| General Services 1 Building Management for 36 th Dist. Court | 1 | 0 | 1 Extension | 0 |
| Police 1 Animal Control contract | 1 | 0 | 0 | 0 |
| Public Lighting | 2 | 0 | 2 Renewals | 1 |
| Transportation 1 Confirming Requisition | 1 | 0 | 0 | 0 |
| <hr/> | | | | |
| Totals 1 Emergency Procurement | 8 | 0 Detroit-Based Business Bids | 1 Change 1 Extension 3 Renewals | 2 |

The Honorable City Council
Contracts and Purchase Orders, Statistics
Items Submitted for March 25, 2014

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This list represents appropriations totaling approximately \$ 394,414.45¹

Included in the total costs are the following:

| | | |
|--|----|------------|
| City General Fund | \$ | 204,048.72 |
| Parking Operation Fund | \$ | 15,000.00 |
| Renewable Energy and Energy Optimization Fund | \$ | 150,000.00 |
| Transportation Operation Fund | \$ | 25,365.73 |

¹ This list includes: Contracts renewed / extended for 1 year and funds added to existing contract term;
New contracts for terms of 1 year, and for one-time payment for services received.

TO: The Honorable City Council

FROM: David Whitaker, Director
Legislative Policy Division Staff

DATE: March 25, 2014

RE: **CONTRACTS AND PURCHASE ORDERS SCHEDULED TO BE CONSIDERED
AT THE FORMAL SESSION OF MARCH 25, 2014**

BUDGET

2672983 100% City Funding – To Provide Software Maintenance Renewal-Brass Base System – Company CGI Technologies & Solutions Inc., Location: 11325 Random Hills Road Bridgewater Corp. Ctr., Fairfax, VA 22030 – Contract Period: November 1, 2013 through October 31, 2014 –Contract Amount \$84,252.72

This is a Contract Renewal – Contract Expired on October 31, 2013

Costs budgeted to General Fund, Acct. 1000-120010-000020-662302-00226-0-A5010, Appropriation for Budget Dept. Operations includes available funding of \$964,373 as of March 21, 2014.

This maintenance and licensing agreement for the BRASS software system used by the Budget Department was initially submitted and approved the Week of December 20, 1999 for a cost of \$20,000 (Contract 2518385) with American Management Systems. The contract services have been renewed annually since then. The vendor's name was changed to CGA Technologies and Solutions, as the proprietary owner of the software, this company is the only source to obtain licensing and maintenance for the BRASS software.

The contract number has changed over the years. This contract number 2672983 was submitted on April 6, 2005, and approved for a 1-year cost of \$46,000; the contract included annual renewals, until terminated.

The Maintenance Agreement with CGI Technologies and Solutions was submitted last year, July 2, 2013, for a 1 year renewal, Nov. 1, 2012 through October 31, 2013, for a cost of \$84,252.72 (included a 3% increase from the previous year), and approved July 9, 2013.

Contract checklist, dated March 2014, indicates this contract is essential to maintain the specialized budgeting software; without the software, data would be lost and department would not have ability to process and track information.

Covenant of Equal Opportunity Affidavit signed 3-26-13; TAXES: Good Through 6-5-14 and 8-15-14; Slavery Era Records Disclosure Affidavit signed 3-26-13, indicating business established 1970, no records to disclose; Hiring Policy Compliance Affidavit signed 3-26-13, statement provided, business makes no inquiry into criminal history until after offer of employment is accepted.

CITYWIDE

2889936 100% City Funding – Notification of Emergency Procurement as provided by Ordinance No. 15-00 – Please be Advised of an Emergency Procurement as follows: Description of Procurement: ProtectMyID Elite 3B (Online/Offline Enrollment & Alerts) – Basis for the Emergency: Security Breach of 1700 Plus City Employees – Basis for Selection of Contractor: Ability to Provide Service Immediately – Contractor Experian Information Solutions Inc, 475 Anton Blvd., Costa Mesa, CA 92626 – Contract Amount \$52,000.00

Costs budgeted to General Fund, Acct. 1000-310300-000134-622900-00024-0-A5020, Appropriation for Central Data Processing includes available funding of \$6,781,553 as of March 21, 2014.

This recommendation is for approval of an Emergency Procurement to address the security breach that occurred to a Fire/EMS database resulting in personal information of over 1,700 City employees being taken.

This contract is to provide 1 year of protection to the affected employees that includes credit insurance, protection of identity and investigation of potential identity theft, and ability to track personal credit. The affected individuals activate their personal monitoring codes.

The costs include a fee of \$34.16 per activation code that is used; or for each individual employee that utilizes the services.

Covenant of Equal Opportunity Affidavit not included in Purchasing File; TAXES: Good Through 5-11-14 and 12-30-14; Slavery Era Records Disclosure Affidavit not included in the Purchasing File; Hiring Policy Compliance Affidavit not included in the Purchasing File

FINANCE

2879763 100% City Funding – To Provide Accounting Services for Preparation of the City’s 2013 CAFR – Contractor: Randy Lane, PC, CPA, Location: 535 Griswold, Suite 111-607, Detroit, MI 48226 - Contract Period: July 1, 2013 through June 30, 2014 – Contract Increase: \$18,500.00, Contract Amount Not to Exceed: \$208,500.00

Costs budgeted as follows: \$3,500 budgeted to General Fund, Acct. 1000-230130-000078-617900-00245-0-A5020, Appropriation for Accounts Division includes available funding of \$2,272,1287 as of March 21, 2014; and

\$15,000 budgeted to Parking Operations Fund, Acct. 5102-340010-000145-611200-04108-0-A3570, Appropriation for Operations and Maintenance includes available funding of \$3,897,031 as of March 21, 2014.

This contract was initially approved July 23, 2013, for a 1 year term, through June 30, 2014. for a cost of \$190,000. Costs of the contract were budgeted to: General fund for \$5,000; Parking Operations fund for \$75,000; and Transportation Operations fund for \$110,000.

The contract services included providing accounting services to prepare the City’s financial records for the annual audit. Services included: assisting the Dept. of Transportation to prepare financial statements and supplemental schedules, closing the books, and provide support for the department’s operation and financial reporting; Assist Municipal Parking in preparing financial statements and supplemental schedules, closing the books, prepare audit support and discuss with external auditors; Assist to prepare external audit support schedules of City-wide legal reserves, estimates of compensated absences and updates of GASB 14.

This amendment is for an increase in the costs of the contract (there is no change in the term).

Amendment increases the cost for assistance to Municipal Parking from \$75,000 to \$90,000, to assist with preparation for annual audit of year ending June 30, 2013, to include closing books, prepare audit support schedules and discussion with external auditors.

Amendment increases the cost for assistance for City-Wide Legal Reserves and compensated absences, from \$5,000 to \$8,500, to prepare external audit support schedules and updates for the City’s GASB 14.

The hourly fees for services, approve in 2013 were: Director for \$171; Sr. Manager for \$135; Manager for \$117; Senior staff for \$99; Experienced staff for \$77; Staff for \$54.

Contract checklist, dated June 28, 2013, indicates this contract is essential for the accounting services to prepare the City’s Annual Statement.

Covenant of Equal Opportunity Affidavit signed 1-14-14; TAXES: Good Through 7-8-14 and 6-30-14.

GENERAL SERVICES

2838910 100% City Funding – Building Management Services at Madison Center, 36th District Court – Company: Limbach Company LLC, Location: 926 Featherstone, Pontiac, MI 48342 – Contract Period: March 1, 2011 through February 28, 2015 – Contract Amount: \$4,020,876.00 No Additional Funds Requested, Time Extension Only
Amendment to request extension of time only. Original contract approved by City Council June 14, 2011 for \$4,020,876.00

Costs budgeted to General Fund, Acct. 1000-470115-006004-627190-13351-0-A4510, Appropriation for 36th Dist., Madison Center includes available funding of \$185,123 as of March 21, 2014.

This contract was approved with Limbach Co. on June 14, 2011, to provide building management services for the Madison Center which houses the 36th District Court, for a term from March 1, 2011 through February 28, 2014, for a cost of \$4,020,876. The contract includes options to renew for 2 additional years.

This request is to extend the term 1 year, through February 28, 2015, with no change in the total cost of the contract. The contract approval in 2011 included a budget indicating costs for the 1st year of \$1,276,895, for 2nd year of \$1,339,049, and 3rd year of \$1,404,932. An extension for the 4th year – March 2014 through February 2015 was estimated to be \$1,474,767.

Since there is no increase to the original total cost, it would appear the management services did not cost as much as anticipated; Adequate Funds remain to provide the cost of building management for a 4th year.

Limbach Co. has provided building management services for the Madison Center since it was opened. The structure includes approximately 240,000 square feet on 6 levels, 32 Courtrooms, 114 restrooms, 1 Cafeteria, 36 Judges chambers, 10 Prisoner Holding areas, Shipping and Receiving docks, and 1 floor devoted to storage.

Contract checklist, dated Dec. 2, 2013, indicate this contract is essential for building management services for the 36th District Court.

Covenant of Equal Opportunity Affidavit signed 2-3-11; TAXES: Good Through 10-14-14 and 12-31-14; Slavery Era Records Disclosure Affidavit signed 10-30-13, indicating business established 1901, no records to disclose; Hiring Policy Compliance Affidavit signed 10-30-13, Employment Application submitted complies with ordinance.

The Honorable City Council

Contracts and Purchase Orders submitted for Referral
March 25, 2014

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POLICE

2889784 100% City Funding – Removal and Disposal of Animal Carcasses – Company: Partridge Enterprises, Inc., Location: 4705 Industrial Drive, Clarklake, MI 49234 - Contract Period: April 1, 2014 through March 30, 2015 – \$2,390.00 per month, Contract Amount Not to Exceed: \$28,680.00

Costs budgeted to General Fund, Acct. 1000-372610-004500-617900-13567-0-A1091, Appropriation for Animal Control includes available funding of \$1,662,013 as of March 21, 2014.

It appears that 5 Bids were solicited, 1 Bid received on Open Market for services to remove and properly dispose of animal carcasses from the Animal Control Facility. This contract is for a term of 1 year, with options to renew for 2 additional 1-year periods.

The Department recommends approval of the sole bid, this vendor has been providing these same services to the City for the past 10 years and, according to the Department, has always provided timely and professional services; the vendor has been energetic and flexible in working with the City.

The contract provides for pick-up services 6 times per month; two trips one week, followed by one trip the following week; Carcasses to be disposed in an appropriate facility to comply with State regulations.

The cost for services is \$2,390 per month.

The previous contract, approved Week of Dec. 6, 2010, for the period from July 1, 2009 through June 30, 2012, was for a cost of \$75,852, at a rate of \$2,107 per month. The current contract includes an increase of 13.4%. Rates approved in 2010 were indicated to be based on 2006 fuel prices of \$2.15 per gallon; if fuel costs increased more than 30% above the 2006 cost, the contractor would add a fuel surcharge to their monthly costs. The proposed contract did not appear to include any additional costs or expenses.

Covenant of Equal Opportunity Affidavit signed 11-15-13; TAXES: Good Through 1-14-15 and 6-30-14; Slavery Era Records Disclosure Affidavit signed 11-15-13, indicating business established 1971, no records to disclose; Hiring Policy Compliance Affidavit signed 11-13-13, Employment Application submitted complies with ordinance.

PUBLIC LIGHTING

2657504 100% City Funding – To Provide Software/Hardware Subscription, HP Hardware, Licensing Rights on Software and Customer Support Services and Training for Turn Key Equipment Panel to Monitor Electric Grid – Company Advanced Control Systems, Location: 2755 Northwoods Parkway, Norcross, GA 30071 – Contract Period: January 1, 2014 through December 31, 2015 – Contract Amount: \$35,616.00

This is a Contract Renewal – Contract Expired on August 31, 2012

Costs budgeted to General Fund, Acct. 1000-350010-0-622300-00123-0-0, Appropriation for Administration includes available funding of \$1,205,190 as of March 21, 2014.

This contract is for the licensing and customer support services for the hardware and software to support the Advanced Control Systems and the Hewlett Packard hardware and software that was [previously] indicated to be part of the SCADA system (Supervisory Control and Data Acquisition) system that monitored the Public Lighting electrical network, including all substations, public school buildings, Wayne State buildings, and government buildings that are on the network. Advanced Control is indicated to be the Sole Source for the licensing and support services.

Contract 2651157 with Advanced Control Systems, was approved Sept. 22, 2004, for the term from Sept. 1, 2004 through August 2007 for an estimated \$200,000. This contract was indicated to be for the life of the equipment. The annual costs for the first 3 years were indicated to be: \$46,884 for 1st year; \$49,222.55 for 2nd year; and \$51,683.64 for 3rd year.

It appears the proposed contract is an extension or renewal of the previous contract 2651157. According to information in the Purchasing File, the total costs of the licensing and maintenance for the period from Sept. 1, 2004 through August 31, 2012 was \$357,794.

The proposed cost of \$35,616 for this renewal is indicated, in the Purchasing File, to include a savings of \$16,695. The company waived 5 months of past due maintenance service fees for a savings of \$13,515; In addition the vendor agreed to resume maintenance services at 50% less, from \$6,359 to \$3,180 per month. During the next couple years, Public Lighting maintenance of the electrical network, is being transitioned to DTE.

City Council may wish to confirm the dates for this renewal are correct. The contract indicated to have expired August 31, 2012, however this renewal indicated to begin January 1, 2014, and extends for 2 years through December 31, 2015 (this perhaps should indicate a renewal of 1 year, through December 31, 2014).

Contract checklist, dated Feb. 12, 2014, indicates this contract is essential for use of the proprietary software and to provide support and maintenance to the hardware and software.

Covenant of Equal Opportunity Affidavit not included in the Purchasing File; TAXES: Good Through 7-20-15 and 8-15-14; Slavery Era Records Disclosure Affidavit signed 3-12-14, indicating business established 1975, no records to disclose; Hiring Policy Compliance Affidavit signed 3-5-14, Employment Application submitted complies with ordinance.

Public Lighting - continued

2825502 100% City Funding – To Provide Administrative Project Assistance which includes Planning, Implementation, Monitoring and Reporting Assistance with Michigan Public Act 295 Energy Optimization Program for the Department – Contractor: Walker-Miller Energy Services, LLC, Location: 2990 West Grand Boulevard, Suite 310, Detroit, MI 48202 – Contract Period: July 1, 2013 through July 1, 2014 – Contract Amount: Original Amount: \$599,227.00, Increase Amount: \$150,000.00, Total Amount: \$749,227.00

This is a Contract Renewal

Costs budgeted to Renewable Energy and Energy Optimization Fund, Acct. 3801-380840-003142-6 28500-13061-0-0, Appropriation for Renewable and Clean Energy includes available funding of \$1,744,143 as of March 21, 2014.

Funding for this contract is from the surcharges collected from the Department customers. The original amount should indicate a cost of \$449,227; this Increase of \$150,000; for a total amount of \$599,227. Purchasing Division will be submitting a correction to this request.

The contract was initially approved Oct. 19, 2010, for a term through June 30, 2012 for an amount of \$299,227. The contract included options to renew 2 additional years. The first renewal, through June 30, 2013, with an increase of \$150,000 to the costs was approved July 30, 2013.

This request is for the 2nd renewal, for the same cost of \$150,000; for a total cost of \$599,227.

State Public Act 295 requires electrical energy providers to: Provide education to customers on potential green energy credits through purchase and installation of more energy efficient appliances, HVAC equipment, etc.; increase the use of high efficiency lighting products; Provide rebates to clients for installing energy-efficient technologies; Assist PLD with developing education on benefits and financial assistance for energy-saving options available to PLD customers.

Contract checklist, dated Feb. 12, 2014, indicates this contract is essential to ensure compliance with State Law as enacted by Public Act 295.

Covenant of Equal Opportunity Affidavit signed 5-16-13; TAXES: Good Through 12-11-14 and 6-30-14; Slavery Era Records Disclosure Affidavit signed 5-24-13, indicating no records to disclose; Hiring Policy Compliance Affidavit signed 5-24-13, Employment Application submitted complies with ordinance.

TRANSPORTATION – Unauthorized Purchase (Confirming)

The following request is for approval of a Confirming Requisition for services authorized without an approved contract in place.

2890214 100% City Funding – To Provide Compensation for Workman’s and Non-Workman’s Compensation for October 2013 through December 2013 – Company: Brown Rehab Management, 29688 Telegraph Road, Suite 100, Southfield, MI 48034 – Contract Period: June 6, 2009 through May 31, 2013 – Contract Amount: \$25,365.73

Costs budgeted to Transportation Operation Fund, Acct. 5301-200010-000054-617907-00146-0-A3550, Appropriation for Department Operations includes available funding of \$13,175,608 as of March 21, 2014.

Dept. of Transportation requested approval of this confirming Purchase Order on Feb. 7, 2014 and it was authorized on Feb. 20, 2014 by Purchasing to be processed.

This is to pay invoices received for the months of October, November and December 2013 for processing of Workman’s and Non-Workman’s compensation payments.

Invoices received include: October – 86 bills reviewed for a total cost of \$2,786.86; November - 178 bills reviewed for a total cost of \$12,097.98; December - 165 bills reviewed for a total cost of \$10,480.89.

The City-Wide contract for review of Workers’ Compensation Medical bills with Brown Rehabilitation Management (Contract 2795330) was initially approved Sept. 2009 for a term of 2 years, through May 2011, for a cost of \$944,000. This contract was extended twice - through May 2012 with an increase of \$500,000; Extension 2, through May 2013, was approved July 31, 2012, with an increase of \$500,000 to a total of \$1,944,000.

A 3rd Extension, through May 31, 2014 was submitted July 23, 2013, with an increase of \$600,000; This extension was NOT APPROVED on July 30, 2013. The contract term expired as of May 31, 2013.

The invoices appear to be based on the contract fees for technical review of \$1.10 per bill and \$.99 per line.

Covenant of Equal Opportunity Affidavit signed 10-28-13; TAXES: Good Through 6-6-14 and 6-30-14; Slavery Era Records Disclosure Affidavit signed 4-10-13, indicating business established 1994, no records to disclose; Hiring Policy Compliance Affidavit signed 4-10-13, Employment Application submitted complies with ordinance.